

1
2 UNITED STATES DISTRICT COURT
3 NORTHERN DISTRICT OF OHIO
4 EASTERN DIVISION

5 -----)

6 ATSCO HOLDINGS, CORP, et al.,

7 Plaintiffs,

8 v.

No. 1:15-CV-1586

9 AIR TOOL SERVICE COMPANY, et al.,

10 Defendants.

11 -----)

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14
15 REMOTE DEPOSITION OF JIM ALOI

16 New York, New York

17 November 5, 2020
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23

24 Reported by:
Linda Salzman
25 JOB NO. 186137

<p style="text-align: right;">Page 2</p> <p>1</p> <p>2 November 5, 2020</p> <p>3 10:05 a.m.</p> <p>4</p> <p>5 Remote deposition of JIM ALOI,</p> <p>6 the witness herein, held remotely</p> <p>7 from New York, New York, pursuant to</p> <p>8 Notice, before Linda Salzman, a</p> <p>9 Notary Public of the State of New</p> <p>10 York.</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 3</p> <p>1</p> <p>2 A P P E A R A N C E S:</p> <p>3</p> <p>4 KEATING MUETHING & KLEKAMP, PLL</p> <p>5 Attorneys for Plaintiff</p> <p>6 One East Fourth Street</p> <p>7 Cincinnati, Ohio 45202</p> <p>8 BY: BRIAN MUETHING, ESQ.</p> <p>9</p> <p>10</p> <p>11</p> <p>12 THRASHER DINSMORE & DOLAN</p> <p>13 Attorneys for Defendant</p> <p>14 1111 Superior Avenue E</p> <p>15 Cleveland, Ohio 44114</p> <p>16 BY: TIM COLLINS, ESQ.</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21 Also Present:</p> <p>22</p> <p>23 CARLOS LOPEZ, Videographer</p> <p>24 RICHARD GOODMAN, ATSCO Holdings Corp.</p> <p>25 MICHAEL SIVULA, Air Tool Service Company</p>
<p style="text-align: right;">Page 4</p> <p>1</p> <p>2 STIPULATIONS</p> <p>3 IT IS HEREBY STIPULATED AND</p> <p>4 AGREED by and among counsel for the</p> <p>5 respective parties hereto, that the</p> <p>6 sealing and certification of the</p> <p>7 within deposition shall be and the</p> <p>8 same are hereby waived;</p> <p>9 IT IS FURTHER STIPULATED AND</p> <p>10 AGREED all objections, except as to</p> <p>11 the form of the question, shall be</p> <p>12 reserved to the time of the trial;</p> <p>13 IT IS FURTHER STIPULATED AND</p> <p>14 AGREED that the within deposition may</p> <p>15 be signed before any Notary Public</p> <p>16 with the same force and effect as if</p> <p>17 signed and sworn to before the Court.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 5</p> <p>1 J. Aloï</p> <p>2 THE VIDEOGRAPHER: Good morning.</p> <p>3 My name is Carlos Lopez. I am the</p> <p>4 legal videographer in association with</p> <p>5 TSG Reporting, Inc.</p> <p>6 Due to the severity of COVID-19</p> <p>7 and following the practice of social</p> <p>8 distancing, I will not be in the same</p> <p>9 room with the witness. Instead, I</p> <p>10 will record this videotape deposition</p> <p>11 remotely. The reporter, Linda</p> <p>12 Salzman, also will not be in the same</p> <p>13 room and will swear in the witness</p> <p>14 remotely.</p> <p>15 Do all parties stipulate to the</p> <p>16 validity of this video recording and</p> <p>17 remote swearing and that it will be</p> <p>18 admissible in the courtroom as if it</p> <p>19 had been taken following Rule 30 of</p> <p>20 the Federal Rules of Civil Procedures</p> <p>21 and the state's rule where this case</p> <p>22 is pending?</p> <p>23 MR. COLLINS: Yes.</p> <p>24 MR. MUETHING: Yes.</p> <p>25 THE VIDEOGRAPHER: Thank you.</p>

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1 J. Aloï
2 This is the start of media labeled No.
3 1 of the video recorded deposition of
4 Jim Aloï in the matter ATSCO Holdings
5 Corp., et al., versus Air Tool Service
6 Company, et al.
7 This deposition is being held
8 remotely on November 5, 2020, at
9 approximately 10:05 a.m. My name is
10 Carlos Lopez. I am the legal video
11 specialist from TSG Reporting, Inc.
12 The court reporter is Linda Salzman in
13 association with TSG Reporting.
14 Will counsel please introduce
15 yourselves for the record.
16 MR. MUETHING: Good morning,
17 everyone. Brian Muething, Keating
18 Muething & Klekamp for the plaintiffs
19 ATSCO Holdings Corp. and Hy-Tech
20 Machine. With me is the corporate
21 representative Mr. Richard Goodman.
22 MR. COLLINS: Good morning. Tim
23 Collins from the Cleveland office of
24 the law firm of Thrasher, Dinsmore &
25 Dolan. On the phone with me as a

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1 J. Aloï
2 Q. And I understand you go by the
3 nickname Jim sometimes, correct?
4 A. That's correct.
5 Q. Is it okay if I call you Jim
6 today?
7 A. Yes, that's fine.
8 Q. Okay. Jim, tell the Court where
9 you worked from, say, in the 2014 through
10 2017 period, please.
11 A. I worked for Hy-Tech Machine,
12 and my title was vice president of finance
13 for that period of time.
14 Q. And what were some of your
15 functions as the vice president of
16 finance?
17 A. I published monthly financial
18 statements, had meetings, assisted with
19 any acquisitions, oversaw the accounting
20 department, was the liaison with our
21 external and internal auditors.
22 Those were probably the main
23 duties, you know, run reports, monthly
24 reports, manufacturing reports, and so on,
25 on a monthly basis.

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1 J. Aloï
2 representative of the defendants is
3 Mike Sivula. And I represent the
4 defendants, to be clear.
5 THE VIDEOGRAPHER: Will the
6 court reporter please swear in the
7 witness.
8 J I M A L O I,
9 called as a witness, having been duly
10 sworn by a Notary Public, was examined
11 and testified as follows:
12 DIRECT EXAMINATION
13 BY MR. MUETHING:
14 Q. Mr. Aloï, my name, as you know,
15 is Brian Muething. I represent the
16 plaintiffs in this litigation matter.
17 If you have any tech issues or
18 you can't hear me today or there's
19 anything like that, just please speak up
20 and let us know.
21 Okay?
22 A. Yes.
23 Q. Could you state your full name
24 for the record, please.
25 A. It is James Aloï.

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1 J. Aloï
2 Q. Okay. Is there -- did this
3 provide you with knowledge of the
4 operations of Hy-Tech?
5 A. Yes.
6 Q. It did. And just for the
7 record, explain how you came to know about
8 the business operations of Hy-Tech, given
9 your function?
10 A. I started with Hy-Tech. I was
11 with them for 13 years. Prior to that, I
12 had 20 years of manufacturing experience
13 with another company. So I fit right into
14 the manufacturing abilities of Hy-Tech in
15 the area of tooling and things.
16 Q. In particular with respect to
17 your knowledge of what would have been
18 going on at Hy-Tech, I guess what I'm
19 asking is, how did you come to be aware of
20 the inner workings of the business of
21 Hy-Tech in the things that were going on
22 at the company?
23 A. Oh, I was fairly well-integrated
24 into the operations aspects, the
25 manufacturing operations; again, the

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1 J. Aloï
 2 reporting -- the daily and monthly
 3 reporting, weekly reporting.
 4 Very thorough knowledge of all
 5 of our work centers that were out in the
 6 manufacturing area and the interface with
 7 the operations people, either through the
 8 budgeting aspects for daily operations,
 9 making sure that we were on plan, making
 10 sure that we were as efficient as
 11 possible.
 12 Q. Can you describe more the
 13 interfacing or the inner workings between
 14 you and the finance function and the
 15 operations folks?
 16 A. The finance function, basically
 17 we would -- you know, with most functions,
 18 you create budgets, plans, what you think
 19 you're going to do. And then from that,
 20 we interface with all the departments in
 21 the operations area, from the
 22 manufacturing operation all the way to the
 23 warehouse, fiscal accounts.
 24 Everything that all those
 25 operations groups perform, we would report

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1 J. Aloï
 2 that we would look at, and margin
 3 analysis, as well as manufacturing
 4 efficiencies as it related to machine use,
 5 what was the amount of machine hours that
 6 were used to absorb our manufacturing
 7 overhead expenses, whether they be fixed
 8 or variable.
 9 So that would be daily. You
 10 could look at that on a daily basis,
 11 weekly basis, and then you would report
 12 them, obviously, on a monthly basis.
 13 Q. Jim, are you familiar with a
 14 transaction whereby Hy-Tech purchased the
 15 assets of ATSCO, essentially?
 16 A. I am aware of, yes, some of
 17 those transactions, definitely.
 18 Q. Were you involved in the due
 19 diligence with respect to that
 20 transaction?
 21 A. I was involved in the due
 22 diligence as it related to some of the
 23 financial aspects of that transaction,
 24 including, you know, their customer lists;
 25 estimated margins; any of the financial

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1 J. Aloï
 2 back, obviously, through the ERP system,
 3 and then we would print out the results,
 4 look at those results. Again, it would be
 5 a daily thing, who is efficient, who isn't
 6 efficient. Typical ERP manufacturing
 7 operations that occur.
 8 Q. Jim, there's a few times when
 9 I'm not totally hearing what you're
 10 saying, and I see Mr. Collins leaning up
 11 as well. So if you could just raise your
 12 voice just slightly.
 13 A. Sure.
 14 MR. COLLINS: Can I just ask
 15 you, you said ERP, three initials?
 16 THE WITNESS: Yes.
 17 MR. COLLINS: Thank you.
 18 Q. Jim, you mentioned daily and
 19 monthly reports.
 20 Can you describe a little bit in
 21 more detail what reports you would have
 22 been responsible for creating?
 23 A. On a daily basis, we would look
 24 at sales, backlog, sales per segments
 25 within Hy-Tech or five or six segments

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1 J. Aloï
 2 data, their financial statements,
 3 comparisons, so on and so forth.
 4 Q. Generally speaking, are you
 5 familiar with the goals of Hy-Tech when it
 6 purchased ATSCO assets?
 7 A. I'm sorry, Brian. Did you
 8 say --
 9 Q. Sure. Are you familiar with the
 10 company that is Hy-Tech's goals or hopes
 11 as it related to the ATSCO transaction?
 12 A. Yes, I think I'm generally aware
 13 of them.
 14 Q. And could you describe those,
 15 please?
 16 A. Well, our goal was to ultimately
 17 purchase this company and turn it into a
 18 synergistic -- they had customers that,
 19 obviously, we did not have, so it was
 20 mainly on a customer basis. It was an
 21 asset-based lending type of purchase.
 22 So we felt that we could take
 23 those customers and grow those customers,
 24 taking -- you know, from a financial
 25 standpoint, we could overlap some of that

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1 J. Aloï
2 overhead and enter it into our facility in
3 Pennsylvania.
4 Q. Did you also understand that
5 Hy-Tech was purchasing assets in
6 connection with the transaction, in
7 addition to the customer list?
8 A. Yes, asset-based purchasing,
9 sure.
10 Q. Jim, given you're familiarity
11 with the company, Hy-Tech, at the time,
12 could you describe for the Court how the
13 ATSCO transaction sort of began to turn
14 out shortly after closing?
15 A. Well, the -- I would say some of
16 the biggest issues immediately after
17 closing -- you know, I don't think some of
18 those areas of concern were noticed until
19 maybe a couple of months, about a month or
20 so.
21 But we were -- we did start to
22 get some inclinings about, you know, some
23 of the machines weren't running as they
24 were -- as they should; and ultimately,
25 when we did transfer some of those

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1 J. Aloï
2 recall, the operations people attempting
3 to, you know, do as many things as they
4 could to get it fixed, as well as with the
5 Okuma experts, manufacturers reps that
6 came in to try and help us get that
7 machine running.
8 So those were probably the
9 biggest issues. That was a big issue for
10 us because it built products for one of
11 their largest customers.
12 Q. And here you're referring to the
13 Macturn machine?
14 A. Macturn machine.
15 Q. You mentioned that the machine
16 was having issues with the quality of the
17 parts.
18 Can you speak to a little bit
19 more about that?
20 A. Well, I didn't -- yeah, I wasn't
21 an operator in that. Our operations
22 people didn't know the specifics of what
23 some of the issues were, but we definitely
24 were not getting parts that would fit
25 correctly in making the tool.

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1 J. Aloï
2 machines to our building, they definitely
3 had some issues, especially with one of
4 the machines.
5 And just, you know, with every
6 purchase, you have some transition issues,
7 but those -- you can kind of work around
8 those, some of those issues; and probably
9 the biggest ones were the inadequacy of
10 the machines, being as they were
11 publicized, so to speak, to operate well.
12 Q. You mentioned that machines had
13 issues.
14 What do you recall about that?
15 A. I recall that very difficult to
16 get quality product off of one specific
17 machine, an Okuma Macturn, which is -- was
18 a machine that was -- as I recall, built
19 parts for one of their largest customers,
20 which was TorcUP. And that -- you know,
21 that was a very difficult situation for
22 us, to get quality parts off of that
23 particular machine.
24 It was out of tolerance and a
25 lot of the parts were produced. As I

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1 J. Aloï
2 And some of that had to do with
3 the drawings too. The drawings were not
4 up to snuff. We would call them DCOs, I
5 think. They were not completely up to
6 snuff.
7 So the parts that were coming
8 off of that machine might have been to the
9 drawing, and at the same time, maybe the
10 drawing was wrong; or we could not get
11 quality parts that we could get to the
12 drawing specs off of that machine. The
13 IDs and the ODs just -- it was not -- it
14 was just not producing quality parts.
15 So there would be -- so we would
16 have to either push it off to another
17 machine until we could get that machine
18 fixed again. There were many gaps in
19 time, I recall, between the time that the
20 machine just would get out of tolerance
21 and then we would have to go back and get
22 it back into tolerance, and then it was a
23 vicious cycle, a vicious cycle to get it
24 producing, you know, anything that would
25 work for us.

<p style="text-align: right;">Page 18</p> <p>1 J. Aloï</p> <p>2 Q. Okay. Jim, on the right side of</p> <p>3 your screen, there may be something called</p> <p>4 a chat.</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. And do you see that I've</p> <p>8 uploaded a few -- or one PDF and one Excel</p> <p>9 sheet.</p> <p>10 Do you see that there?</p> <p>11 A. Yes.</p> <p>12 Q. Could you open the document, the</p> <p>13 Excel sheet, that says PX 30?</p> <p>14 A. PX 30? Okay.</p> <p>15 Q. Let me know when you have it</p> <p>16 open, please.</p> <p>17 A. I have it open.</p> <p>18 Q. Just hold on for a second.</p> <p>19 MR. MUETHING: Tim, do you have</p> <p>20 the document?</p> <p>21 MR. COLLINS: No. Brian, I'm</p> <p>22 trying to download it. I will let you</p> <p>23 know when I got it.</p> <p>24 MR. MUETHING: Thank you, sir.</p> <p>25 MR. COLLINS: I have to get help</p>	<p style="text-align: right;">Page 19</p> <p>1 J. Aloï</p> <p>2 from my expert.</p> <p>3 MR. MUETHING: Your teen?</p> <p>4 MR. COLLINS: My teen.</p> <p>5 THE WITNESS: There we go. It</p> <p>6 says open file now. Okay.</p> <p>7 MR. MUETHING: Were just going</p> <p>8 to wait for a second, Jim. I'll start</p> <p>9 asking you questions in a minute.</p> <p>10 It's been previously identified</p> <p>11 as or previously referred to as PX 30.</p> <p>12 MR. COLLINS: All right, Brian.</p> <p>13 Got it. Thank you.</p> <p>14 MR. MUETHING: Thank you.</p> <p>15 Q. Jim, to confirm, you have the</p> <p>16 document --</p> <p>17 A. Yes. Yes, I do.</p> <p>18 Q. Have you seen this document</p> <p>19 before? You don't need to describe it</p> <p>20 yet. I just need to lay some foundation</p> <p>21 for it.</p> <p>22 Have you seen this document</p> <p>23 before?</p> <p>24 A. Yes. Yes, I have.</p> <p>25 Q. Could you briefly describe what</p>
<p style="text-align: right;">Page 20</p> <p>1 J. Aloï</p> <p>2 this is a -- what this document describes</p> <p>3 or shows?</p> <p>4 A. Yes, this document shows usage</p> <p>5 on the Machine 143, which is a Macturn,</p> <p>6 the Okuma Macturn. And --</p> <p>7 Q. Okay. Let me stop you there for</p> <p>8 a second, Jim, just to do this in the</p> <p>9 right order.</p> <p>10 Is this a document that was</p> <p>11 regularly maintained at the business of</p> <p>12 Hy-Tech?</p> <p>13 A. Yes.</p> <p>14 MR. MUETHING: Plaintiffs' move</p> <p>15 to admit the document marked as PX 30.</p> <p>16 (Plaintiffs' Exhibit No. 30,</p> <p>17 Excel spreadsheet showing usage from</p> <p>18 Machine 143, marked for</p> <p>19 identification, as of this date.)</p> <p>20 MR. MUETHING: Just hold on for</p> <p>21 a second, Jim.</p> <p>22 Tim, anything?</p> <p>23 MR. COLLINS: I didn't hear you,</p> <p>24 Brian. There was a breakup there for</p> <p>25 a second. Were you asking questions?</p>	<p style="text-align: right;">Page 21</p> <p>1 J. Aloï</p> <p>2 MR. MUETHING: I asked him if it</p> <p>3 was essentially a record that was</p> <p>4 maintained at Hy-Tech. I believe he</p> <p>5 said yes. And I said plaintiffs move</p> <p>6 to admit PX 30.</p> <p>7 MR. COLLINS: Okay.</p> <p>8 MR. MUETHING: And I assume you</p> <p>9 would have said something.</p> <p>10 MR. COLLINS: Yeah, no. I'm</p> <p>11 going to reserve our -- we object, but</p> <p>12 we'll reserve on that conversation for</p> <p>13 later. So you can go ahead.</p> <p>14 MR. MUETHING: Thank you.</p> <p>15 Q. Jim, you were beginning to</p> <p>16 describe what this -- or you did begin to</p> <p>17 describe.</p> <p>18 But could you tell us in more</p> <p>19 detail what this document shows?</p> <p>20 A. It shows usage on -- it is a</p> <p>21 manufacturing operation document. This</p> <p>22 one is sorted by that particular machine.</p> <p>23 It gives the work order, a job number,</p> <p>24 that we attempted to build parts for, so</p> <p>25 you can see that job number.</p>

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2 It gives you the employee
3 that -- whoever worked on that particular
4 job and the sequence they were on and the
5 date that that person was running that
6 particular machine and the amount of
7 machine time that the machine ran for and
8 the amount of labor and time that the
9 person was on that machine.

10 Q. Okay. So, Jim, looking at
11 Column A that has the date.

12 Do you see that there?

13 A. Yes, I do.

14 Q. Are you saying that that's the
15 date on which the machine was running?

16 A. That's correct.

17 Q. Okay. Do you recall the dates
18 specifically on which the Macturn was
19 essentially broken and not able to run?

20 A. You can -- if you look down this
21 report, you can see that we ran it on the
22 7th and 18th. And then when we get to the
23 25th, you can see almost four-month gap.

24 That is when the machine, right
25 after we -- you know, it was brought in,

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1 J. Aloï
2 this machine would have been running at
3 any time it was available to run?

4 MR. COLLINS: Objection.

5 Q. You can go ahead and answer,
6 Jim.

7 A. Yes. Our backlog with this
8 particular customer, TorcUP -- that's the
9 parts that this was made -- was a very
10 large backlog that we had. So we were
11 forced in many ways -- when this machine
12 was down -- it performs multiple
13 operations.

14 Those operations -- let's say it
15 can do three operations or four -- or two
16 or three operations at a time. Those
17 operations had to be sourced to other
18 machines in the plant that were single
19 operations, which obviously cost you more
20 money to do that, obviously, besides
21 repairing this machine.

22 So that was not an efficient --
23 that was, you know, not an efficient way
24 to build this product, and that's what we
25 were forced to do is kind of -- it was a

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1 J. Aloï
2 set down. It was out of tolerance at that
3 point, what it indicates to me; and then
4 they brought it back up on July 15 and ran
5 it for a few days, and then there was a
6 four-day gap, an eight-day gap.

7 These were all starts and stops.
8 This machine usually will run every day.
9 This type of machine will run every day.
10 So these were -- you can see that there
11 were many, many starts and stops in here;
12 and then finally, I think we finally
13 purchased another machine sometime in '16
14 or '17.

15 This was the last entry that was
16 made after many attempts to get this
17 machine to run. You can see even scraps
18 that were on -- these are high scrap
19 amounts for the parts that were being
20 made.

21 Q. I want to unpackage that
22 testimony a little bit, Jim.

23 Based on your experience from
24 having received the operations reports,
25 would it have been your expectation that

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1 J. Aloï
2 very, I don't want to say difficult time.
3 But what you did, you took away -- we also
4 had other customers, our regular
5 customers, so we were taking away machine
6 time from other machines.

7 So it was mission critical to
8 get this machine operating the way it was
9 sold to us, obviously, in a way they're
10 supposed to perform.

11 Q. Okay. Jim, you can minimize
12 that document or set it aside for the
13 moment.

14 Can you open the PDF that was
15 also uploaded in the chat, the one that
16 says PX 14?

17 A. The PDF file?

18 Q. Yes, sir.

19 A. Okay. It's about to come up.
20 Let me get it turned.

21 Q. Okay.

22 MR. MUETHING: Tim, do you have
23 it?

24 A. I have that. Oh, I'm sorry.
25 You're talking to Tim.

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1 J. Aloï

2 MR. COLLINS: Hang on a second.

3 I have it, Brian.

4 MR. MUETHING: Thank you.

5 Q. Jim, you have the document in

6 front of you that is -- that came through

7 labeled as PX 14?

8 A. Yes, I do.

9 Q. Have you seen this document

10 before?

11 A. I have seen this document

12 before.

13 Q. Can you tell the Court what is

14 reflected -- just briefly for a second,

15 can you tell the Court what is reflected

16 on this document?

17 A. This document captures some --

18 in the beginning some of the expenses of

19 moving the machine. And then as you can

20 see where we have a lot of the Morris

21 Great Lakes or LO machine, that is the

22 continual attempts to get the machine

23 working in the manner that it should have

24 been working.

25 Q. Is this a document that is --

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1 J. Aloï

2 description. I'll ask you to just start

3 again for the record so we can have this

4 examination here.

5 Can you tell us what is

6 reflected on PX 14?

7 A. Is that the PDF I'm looking at?

8 Q. Yes, it is. Sorry.

9 A. So basically as I said, this is

10 expenses related to the Macturn, whether

11 it was for moving the Macturn; having, you

12 know, companies setting it up, the set up

13 of the Macturn; and then ultimately having

14 initially Morris come in and fine-tune the

15 machine or get the machine working; and

16 then the continual repairs that occurred

17 afterwards to try to get this machine

18 working the way it's supposed to be

19 working.

20 Q. Jim, sorry, as part of your

21 function in the VP of finance role, did

22 you have responsibility for receiving and

23 then ultimately paying invoices?

24 A. That is correct. We would have

25 to -- there would be a verification

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1 J. Aloï

2 was reflected or was stored at Hy-Tech as

3 part of its regularly conducted business

4 activities?

5 A. Yes.

6 MR. MUETHING: Plaintiffs move

7 to admit PX 14.

8 (Plaintiffs' Exhibit No. 14, PDF

9 of expenses incurred in moving the

10 Macturn machine, marked for

11 identification, as of this date.)

12 MR. MUETHING: Tim, do you want

13 to say anything? Sorry, Tim, but

14 you're on mute.

15 MR. COLLINS: Yeah, I knew that.

16 Sorry, Brian.

17 We object, but we are going to

18 preserve the conversation for later on

19 your motion to admit.

20 MR. MUETHING: Thank you.

21 MR. COLLINS: So go ahead and

22 proceed.

23 MR. MUETHING: Thank you.

24 Q. Jim, you began to tell us a

25 little bit about this document just by

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1 J. Aloï

2 process that those services were rendered,

3 and then our operations people -- in this

4 case our president would sign off and say,

5 yes, they did do the work, because he was

6 very heavily involved.

7 He was involved also, and our

8 operations person, in making sure that

9 this work was performed and the people

10 were there and they put that amount of

11 time in to get the machine repaired.

12 Q. And was that process, to your

13 recollection, followed with respect to the

14 invoices that are reflected on PX 14?

15 A. Yes, they would not have been

16 paid unless they were approved, reviewed,

17 approved, and I had that conversation and

18 discussion with those invoices. Our

19 payables people would not do that without

20 the proper approval.

21 Q. Just to close the loop on that,

22 tell me what it takes to have an invoice

23 approved for payment.

24 What boxes have to be checked?

25 A. The invoice would come in.

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1 J. Aloï
2 There is a purchase order in place, and
3 then a receipt. That receipt would have a
4 sign off by the appropriate person. Some
5 of these are above a threshold, so we
6 would -- so that would be -- you know, a
7 thousand dollar one would still have a
8 sign off. Would I have reviewed that, a
9 thousand or a hundred? In most cases,
10 yes. I reviewed every invoice.
11 When you got into the larger
12 ones, I would definitely go to the source
13 to make sure that, you know, that is what
14 took place, that is what is going on in
15 finding out. You know, that's how I kind
16 of was in the loop of that we're having
17 problems getting the machine fixed.
18 Q. Leave aside this, the Macturn
19 machine that we've been discussing for a
20 moment, so I'm not talking about that one.
21 Have there been other occasions
22 in your time as the VP of finance where
23 Hy-Tech acquired a machine by virtue of an
24 acquisition and added it to the mix of
25 machines at Hy-Tech?

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1 J. Aloï
2 of through the process of a corporate
3 acquisition or corporate transaction?
4 A. Yes.
5 Q. And can you compare the
6 performance of this Macturn, as reflected
7 in the reporting that was done to you from
8 a finance perspective, compare the Macturn
9 to these other instances?
10 MR. COLLINS: Objection.
11 A. Excluding the rigging and the
12 moving, this far exceeds any -- any
13 situation to get those machines running
14 and running according to the manner that
15 they are supposed to produce a part.
16 Q. Okay.
17 A. We did not incur expenses this
18 large, that I recall, on any machines,
19 including the additional machines that we
20 brought in from ATSCO, from Air Tool
21 Service.
22 MR. COLLINS: Objection. Move
23 to strike the uninvited response.
24 MR. MUETHING: I'm sorry. What
25 do you mean by that?

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1 J. Aloï
2 MR. COLLINS: Objection.
3 A. This would be outside of the
4 purchase of the assets from Air Tool
5 Service?
6 Q. Yes.
7 A. Never to this extent. Well, I
8 mean, I do not recall having a machine
9 that we either purchased used or purchased
10 in an acquisition that we moved to -- and
11 I've done this in my prior life in with a
12 prior company, that we moved that machine
13 in and we had the issues that occurred
14 with this particular machine.
15 Q. So Jim, I want to -- my
16 question, perhaps, as Mr. Collins pointed
17 out, was not artful, so I want to clean
18 this up for a second.
19 In your time at Hy-Tech, were
20 there machines, other than this Macturn,
21 that were purchased just by virtue of just
22 being used in the marketplace?
23 A. Yes.
24 Q. Okay. And were there other
25 machines that were purchased by virtue

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1 J. Aloï
2 MR. COLLINS: Your witness kept
3 talking even though he had already
4 answered your question.
5 MR. MUETHING: I see.
6 Q. Jim, I asked you questions to
7 compare this machine to other ones that
8 you had acquired at Hy-Tech in the
9 marketplace and by way of acquisition.
10 Can you compare that machine, to
11 your knowledge, as compared to other
12 machines that came in the ATSCO
13 transaction, please?
14 MR. COLLINS: Objection.
15 Q. You can answer.
16 A. Yes, I do not recall any
17 significant expenses incurred from other
18 machines that were part of this particular
19 purchase.
20 Q. Okay. Thank you. Jim, this
21 is -- we've been looking at repair and
22 maintenance repair documents.
23 Eventually, was there a decision
24 made with respect to this Macturn that
25 you're familiar with?

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1 J. Aloï
2 A. I recall in 2016 -- 2015, '16,
3 as we continued to incur some of these
4 expenses, that there was a decision to
5 purchase a similar type of Okuma machine.
6 Q. And what do you recall -- well,
7 let me ask you this.
8 What do you recall about that
9 decision? What were the circumstances
10 that you recall surrounding that decision?
11 A. The circumstances were, we were
12 behind in servicing our customer. We just
13 couldn't make good parts, so we had to
14 make an investment, another investment, in
15 a new machine to make sure we could keep
16 up on our product deliveries, our timely
17 product deliveries, or improve our product
18 deliveries.
19 Q. Okay. Jim, I uploaded another
20 PDF into the chat. This one marked PX 15.
21 MR. MUETHING: Can you, and also
22 Mr. Collins, let me know when you have
23 it, please?
24 MR. COLLINS: I've got it,
25 Brian. Thank you.

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1 J. Aloï
2 (Plaintiffs' Exhibit No. 15,
3 Total cost of new machine, marked for
4 identification, as of this date.)
5 Tim, I won't make you say that
6 you reserve your objection. I assume
7 that's the case.
8 MR. COLLINS: I do. Thank you.
9 Q. Jim, I want to walk through
10 these documents for a moment.
11 And I'll ask you first to look
12 at -- in the bottom right corner, Jim,
13 there is some page markings.
14 Do you see that there? They
15 start with HY.
16 A. Yes.
17 Q. Okay. I'll ask you to look at
18 the document marked HY 117.
19 A. Do I have to minimize this --
20 oh, is it further down. I'm sorry. HY
21 117?
22 Q. Yes, sir.
23 A. Yes.
24 Q. You have it there?
25 A. I have it.

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1 J. Aloï
2 A. Yes, I've got it.
3 Q. Thank you.
4 Jim, you have a document
5 marked -- or previously identified as PX
6 15 in front of you.
7 Have you seen this compilation
8 of documents?
9 A. Yes, I have.
10 Q. Could you identify them for the
11 Court, please?
12 A. This is the total cost of the
13 new replacement machine, and it was
14 another Okuma.
15 Q. Thank you. Jim, are these
16 documents that were regularly -- that were
17 maintained as part of Hy-Tech's regular
18 course of business?
19 A. That is correct. Whenever we
20 purchased the machine, we would -- where
21 you're able to accumulate whatever it
22 costs to get that machine up and running
23 and capitalize it.
24 MR. MUETHING: Plaintiffs move
25 to admit PX 15 into evidence.

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1 J. Aloï
2 Q. What is this document shown on
3 HY 117?
4 A. That is the specifications of
5 the new machine.
6 Q. Okay. And --
7 A. And you can see the list price.
8 It's a Moltus machine, which is, again, a
9 multi-functional machine. It can do more
10 than one operation when loaded; and it's
11 the specs of that machine.
12 Q. Okay. And then going up above,
13 Jim, what is HY 116?
14 A. 116 is the invoice from Morris
15 Great Lakes for that, the Moltus that we
16 just looked at, the detail of the specs.
17 Q. Sure. And then back up another
18 page, what is HY 115?
19 A. 115 is the actual remaining
20 payment. My guess is we must have put a
21 45,000 deposit down on this machine.
22 Q. So what do you show on Exhibit
23 115 as Hy-Tech paying for this machine?
24 A. We paid for the machine itself,
25 the 375. This is the \$330,000 portion.

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1 J. Aloï

2 And actually, they gave us another

3 reduction of \$45,000. If you look at the

4 notation --

5 Q. Yes.

6 A. They gave us another deduction.

7 If I recall, I think that was because of

8 late delivery.

9 Q. Okay. Jim, going back up to

10 H -- to the first document, the first page

11 of the document --

12 A. They gave us that discount

13 because of late delivery.

14 Q. Did something in the document

15 refresh your recollection as to that?

16 A. Yeah, the machine portion,

17 excluding the bar feeder, which was a

18 different invoice.

19 The machine was \$330,000. So it

20 wasn't 375 for the machine. If they did

21 not have the late delivery, it would have

22 cost us 375.

23 Q. And then looking back at HY 114,

24 there's an entry for the machine --

25 A. Correct.

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1 J. Aloï

2 invoice number.

3 If you go up to that master

4 sheet, you'll see invoice No. 699237, and

5 the vendor was Sandvik. Every one of

6 these backs up the entries on the master

7 sheet. That's for audit reasons.

8 (Reporter clarification.)

9 Q. Jim, can I stop you? I didn't

10 hear any of that either, so you need to

11 either not say that or start over from

12 where you were.

13 A. Okay. This particular invoice

14 matches the front sheet, the 699237, which

15 is the fourth entry down.

16 Q. Yes, sir.

17 A. That matches the tool holder

18 invoice on this particular purchase order.

19 Q. And was the matching related or

20 motivated by audit concerns or reasons?

21 A. Yes. If you -- yes. You're

22 allowed to capitalize your tool holders

23 initially upon purchase, delivery.

24 Q. Okay. And so are the other

25 entries -- other than the machine here,

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1 J. Aloï

2 Q. -- and a series of other entries

3 under description.

4 Do you generally know what those

5 entries refer to?

6 A. Yeah, those are tooling and tool

7 holders for the new machine. They don't

8 lump sum them because they're purchased on

9 all different purchase orders. And

10 sometimes you don't know what, you know,

11 all the tool holders are that you might

12 need; and then the bar feeder was

13 separate.

14 Q. Okay. I don't want to go

15 through all of them, Jim, but I just want

16 to make it clear for the Court how these

17 records work and the way that you dealt

18 with them.

19 Could you go down page HY 121?

20 A. Okay.

21 Q. Can you describe what that

22 document is, in your experience?

23 A. Those are tool holders that can

24 be capitalized at the purchase of the

25 item. You will see that on 699237, the

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1 J. Aloï

2 are they related to the operation of the

3 replacement machine?

4 A. Yes, they are.

5 MR. MUETHING: Let's go off the

6 record for a few moments, please. I

7 want to use the restroom and check on

8 my notes, and we can reconvene in

9 maybe ten minutes or so, please.

10 THE VIDEOGRAPHER: The time is

11 10:48 a.m. We're going off the

12 record.

13 (Thereupon, a recess was taken

14 and the proceedings continued as

15 follows:)

16 THE VIDEOGRAPHER: The time is

17 11:02 a.m. We're back on record.

18 MR. MUETHING: Jim, I do not

19 have any more questions for you at

20 this time; and now it's Mr. Collins'

21 turn to ask you some questions.

22 Okay?

23 THE WITNESS: Okay.

24 MR. COLLINS: Give me just one

25 minute here. Actually, give me two

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1 J. Aloï
2 minutes, please.
3 THE VIDEOGRAPHER: We're on the
4 record.
5 CROSS EXAMINATION BY
6 MR. COLLINS:
7 Q. Thank you. Sir, my name is Tim
8 Collins. I'm an attorney in Cleveland,
9 and I'm going to follow up on some of the
10 points that were with your lawyer this
11 morning.
12 So first things first, where are
13 you employed now?
14 A. I am a self-employed consultant.
15 Q. Okay. Do you have a company
16 name?
17 A. No.
18 Q. So you're doing it as a sole
19 proprietorship?
20 A. That's correct.
21 Q. And I don't think we've had an
22 end point of your employment with Hy-Tech.
23 Could you tell us when you left
24 your employment there?
25 A. I left Hy-Tech in May of 2019.

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1 J. Aloï
2 four to five weeks after I left, probably
3 90 percent of that time, to help them
4 transition with new employees.
5 Q. Okay. And what else would you
6 be doing as a consultant for Hy-Tech?
7 A. That's -- that's it.
8 Q. So this lawsuit has been pending
9 for, I believe, close to five years.
10 Did you know that?
11 A. Yes, I did.
12 Q. Okay. And have you been
13 consulting since May of 2020 on any of the
14 issues pertaining to the litigation?
15 A. No.
16 Q. Are you getting paid for
17 attending this deposition?
18 A. Yes.
19 Q. What's your hourly rate?
20 A. \$75.
21 Q. Okay. And have you spent any
22 time preparing for this deposition?
23 A. Yes.
24 Q. How much time?
25 A. Two hours. Two or three hours.

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1 J. Aloï
2 Q. Is that a retirement?
3 A. I'm sorry, 2020. Yes.
4 Q. So that was retirement from
5 employment with Hy-Tech?
6 A. Semiretired.
7 Q. Do you still do work for
8 Hy-Tech?
9 A. I do.
10 Q. Can you describe what kind of
11 work you do for them?
12 A. I assist with some of the
13 questions. We had just installed a new
14 software system and from time to time,
15 they will call me with questions about
16 that system.
17 Q. How often since May of 2020 has
18 Hy-Tech called you on software questions?
19 A. Probably maybe 80 hours' worth.
20 Q. I'm sorry. Did you say 80, like
21 eight-zero?
22 A. Eight-zero, yeah.
23 Q. Would that have been spread
24 evenly from May until now?
25 A. No, most of it probably about

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1 J. Aloï
2 Q. When did you spend those two or
3 three hours?
4 A. Yesterday.
5 Q. Would that be yesterday --
6 A. Tim, I'm sorry. If you go back
7 to when I was employed, I prepared some of
8 the documents that we looked at today. I
9 don't know the amount time or hours.
10 Q. Okay.
11 A. But since I have been -- since I
12 left Hy-Tech, that's the extent of the
13 amount of time.
14 Q. Okay. So yesterday, what time
15 did you do your preparation for this
16 deposition?
17 A. 8 o'clock in the morning until
18 about 10:00.
19 Q. And have you reviewed any
20 deposition transcripts or drafts of
21 transcripts related to this case?
22 A. No. I've looked at some
23 schedules. I don't know if that was part
24 of a deposition or not or if those were
25 just exhibits.

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1 J. Aloï

2 Q. Did you read any scripts of

3 answers that other people have given in

4 this case?

5 A. No. I did read just the -- you

6 know, a couple of items of -- I can't even

7 remember what they pertain to -- the

8 Macturn machine. That was it. The

9 Macturn.

10 Q. Okay. And let me ask a couple

11 of questions, then, to focus on what you

12 testified to earlier.

13 You used the phrase ABL

14 purchase. That's what Hy-Tech apparently

15 undertook when it came to buying the

16 assets --

17 MR. MUETHING: I'm sorry to cut

18 you off, Tim. I did not hear anything

19 you said. My apologies.

20 MR. COLLINS: Okay. I'm about

21 to start a new question. Are you able

22 to catch up here, Brian?

23 MR. MUETHING: I am. I just --

24 I didn't hear -- I heard the sound. I

25 just couldn't make out the words.

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1 J. Aloï

2 if there's problems. I apologize.

3 Q. ABL, what do those initials

4 stand for?

5 A. Asset-based lending.

6 Q. And what about this transaction

7 made it an ABL transaction, the purchase

8 by Hy-Tech of Air Tool?

9 A. To go into the particulars, I

10 think each one is different. But most of

11 the times, it's a company that is

12 purchasing the inventory and value of

13 inventory and fixed assets and

14 receivables. Anything that's an asset.

15 Q. This ABL transaction, what

16 document would control the terms between

17 the parties?

18 A. I don't get involved in that

19 particular aspect of the purchase.

20 Q. Okay.

21 A. I did, as I said, some of the

22 financial due diligence portion.

23 Q. So you were not involved with

24 the terms of the Asset Purchase

25 Agreement --

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1 J. Aloï

2 Thank you.

3 MR. COLLINS: Do you need

4 something read back, Brian?

5 MR. MUETHING: No. I guess if

6 you want to read back the question

7 that you asked starting about 15

8 seconds ago, or you can reask it. I

9 didn't mean to interrupt you. Sorry.

10 MR. COLLINS: No, that's all

11 right. I'll start all over again.

12 Q. I want to talk about the phrase

13 or the initials that you used --

14 A. You went mute.

15 Q. -- ABL. Can you tell the

16 Court --

17 MR. MUETHING: Hey, Tim, sorry

18 to do this to you, but you were

19 breaking up and you froze on all of

20 us. So I'm not trying to disrupt your

21 examination, but I think you will need

22 to start over again. Sorry.

23 MR. COLLINS: Yeah, I see I'm

24 getting an unstable internet message

25 on my screen. So just tell me, sir,

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1 J. Aloï

2 A. No.

3 Q. -- that was signed on August 13,

4 2014, were you?

5 A. No.

6 Q. You don't know what those terms

7 are, do you?

8 A. I do not know what those terms

9 are.

10 Q. So you don't know how those

11 terms might impact the testimony you've

12 given today, do you?

13 A. Not necessarily, no.

14 Q. Okay. You testified that this

15 purchase you thought or Hy-Tech thought

16 that it would take -- it would purchase

17 the customers, the inventory, and the

18 assets of Air Tool, and then you would

19 collapse the overhead and move the assets

20 you purchased into the Cranberry facility.

21 Is that an accurate assessment

22 of what you thought and Hy-Tech thought it

23 was doing in this transaction?

24 A. Usually, those are the

25 incentives for making a particular

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1 J. Aloï
2 purchase.
3 Q. Yeah, I think you said it was
4 the goals of Hy-Tech in making this
5 purchase.
6 A. It's -- I don't know if I --
7 those would have been my goals. I'm not
8 sure how we placed them as -- those would
9 have been my goals in making this type of
10 a purchase. Not necessarily P&F, P&F's
11 goals.
12 Q. Or Hy-Tech's goals or Air Tools'
13 goals, correct?
14 A. I would imagine -- you know,
15 we're talking about goals and that's up to
16 the determination of each group. That's
17 why I told you those would be my goals.
18 Q. Right. I just want the record
19 to be clear that was your goals, and dare
20 I say, your expectations for this
21 transaction.
22 But that would be your personal
23 goals, right?
24 A. Right.
25 Q. Okay. Great. Thank you.

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1 J. Aloï
2 Q. And how would you come to the
3 conclusion that the piece of equipment was
4 not running as it should operate?
5 You're not an engineer, correct?
6 A. Nope, correct.
7 Q. And you're not an operations
8 person, correct?
9 A. That's correct. Operations as
10 far as being out on the floor, yes.
11 Q. My next question was, you're not
12 out on the floor, so you don't know
13 whether something is running as was
14 publicized or expected, except if someone
15 else told you; is that correct?
16 A. Yes. You get it from the
17 feedback of the people on the floor.
18 Q. So you'd get reports from them,
19 but you yourself don't have personal
20 knowledge as to whether this piece of
21 equipment was operating as advertised or
22 expected, correct?
23 A. Correct. We get it from -- yes.
24 From the finance side, I'm getting reports
25 that say we scrapped this many; and I'm

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1 J. Aloï
2 Now, you said that -- you used a
3 phrase plural, machines, in this
4 transaction were not running as they
5 should, but then you went on to describe
6 one machine, the Okuma Macturn, as not
7 running as it should.
8 Is there more than one machine
9 that is in your mind in question here?
10 A. I recollect that the Macturn, as
11 I stated, was a very important machine;
12 and there were other machines, but that
13 was -- that machine, because it fit into
14 the largest customer and so on and so
15 forth, was a very important machine.
16 Q. And then you said it was not
17 working as publicized.
18 Do you remember that testimony?
19 A. I said it was -- I don't know if
20 I said that in particular. But what I'm
21 trying to say is that it wasn't running
22 the way that particular type of machine
23 should be operating --
24 Q. Okay.
25 A. -- producing quality parts.

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1 J. Aloï
2 getting reports from operators and people
3 out on in the shop, operations people.
4 Q. Yesterday, we learned that
5 Hy-Tech used an outside service of
6 professionals to repair this particular
7 piece of equipment, and I think you looked
8 at the schedule of checks.
9 Is that your recollection that
10 outside service professionals came in to
11 service the Macturn?
12 A. Outside service, Morris Great
13 Lakes, yes, as a certified Okuma repair
14 station.
15 Q. Was there a company called L&L
16 also that did service on that particular
17 piece of equipment?
18 A. L&L did some work, and I think
19 some of it was to get it prepared to move.
20 That's what I recollect what they did.
21 They have repair in their name.
22 They've done some machine repair for us.
23 Q. Just to be clear, there's no one
24 on the staff at Hy-Tech who performed the
25 service on this particular Macturn after

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1 J. Aloï
 2 it was in the ownership of Hy-Tech,
 3 correct?
 4 A. That's correct. I want to
 5 qualify, that I know of, yes.
 6 Q. Understood. I appreciate that.
 7 Thank you.
 8 You've described that some of
 9 the drawings for parts that were to be
 10 manufactured on this piece of equipment
 11 were not up to snuff.
 12 Do you recall that testimony?
 13 A. Yes.
 14 Q. And that would, similarly, be
 15 information that you got from others.
 16 You don't have personal
 17 knowledge yourself whether or not those
 18 drawings were up to snuff for
 19 manufacturing parts on the Okuma, do you?
 20 A. Correct. It is from feedback.
 21 Q. And whether the machine was in
 22 or out of tolerance is not -- the machine
 23 being the Okuma, whether it was in or out
 24 of tolerance is information you obtained.
 25 You don't have personal

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1 J. Aloï
 2 Q. Well, I was just talking about
 3 the cycle and whether you had personal
 4 knowledge of, you know, why the Okuma was,
 5 as you described it, in a vicious cycle of
 6 being in and out of tolerance.
 7 Yours is not personal knowledge;
 8 it's received knowledge from other
 9 persons, correct?
 10 A. Yes. It's more the process that
 11 was -- that we kept going through the same
 12 thing, bad part and then we would have to
 13 go --
 14 MR. MUETHING: Jim, this is
 15 Brian. I would just encourage you to
 16 let Tim ask his whole question and
 17 then that will give the court reporter
 18 time to write that down; and then if
 19 you answer, he'll give you the same
 20 courtesy, and then Linda will have an
 21 easier morning with us.
 22 THE WITNESS: Okay.
 23 MR. COLLINS: Thank you, Brian.
 24 We're all struggling with this
 25 technology and our --

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1 J. Aloï
 2 knowledge of that, do you?
 3 A. That's correct.
 4 Q. And then I think you used the
 5 phrased there was a vicious cycle of
 6 repairs, the Okuma going in and out of
 7 tolerance, and then ultimately being no
 8 longer repaired by your company.
 9 You don't know of personal
 10 knowledge the vicious cycle or why this
 11 piece of equipment was in the vicious
 12 cycle, do you?
 13 A. I witnessed the continual repair
 14 of some of these bad quality parts by
 15 other departments, like in our repair
 16 department, in trying to fix the part to
 17 get those back into tolerance.
 18 And so I knew there was a --
 19 there was a cycle of, you know, bad part
 20 and it had to go over here, and we have to
 21 try and fix it if we could salvage those
 22 parts. But, again, that part I visually
 23 saw.
 24 And what was the other question
 25 that you had, Tim?

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1 J. Aloï
 2 MR. MUETHING: I know. Thank
 3 you.
 4 MR. COLLINS: I appreciate that.
 5 Q. You testified about this piece
 6 of equipment. The phrase that you used
 7 was that it was sold to us and it was
 8 supposed to perform in a certain way.
 9 Do you recall that testimony?
 10 A. Generally, yes.
 11 Q. Okay.
 12 A. In a general sense.
 13 Q. What information have you seen
 14 describing how the Okuma Macturn was
 15 supposed to perform as represented to
 16 Hy-Tech by Air Tool?
 17 A. Well, from a finance standpoint,
 18 it means producing quality parts, and it
 19 was not producing quality parts.
 20 Q. And what representations were
 21 made that you've seen by Air Tool
 22 regarding this piece of equipment and its
 23 ability to produce parts?
 24 A. I personally have not seen any
 25 representations.

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1 J. Aloï
2 Q. Okay. Did you ever make any
3 trips to the Mentor, Ohio facility that
4 Air Tool had prior to the closing of the
5 transaction between Hy-Tech and Air Tool?
6 A. No, not prior to the closing.
7 Q. And did you have any
8 conversations with any persons at Air Tool
9 prior to the closing of the transaction?
10 A. No.
11 Q. Did you have any conversations
12 with persons -- and I'll name couple of
13 names to see if it jogs your memory, Rick
14 Sabbath, Mike Sivula, or any others from
15 Air Tool after the transaction closed?
16 A. In a particular -- not with Rick
17 Sabbath.
18 Q. Okay.
19 A. Mike Sivula, I had discussions
20 with him after the purchase of the
21 company.
22 Q. Okay. What did you talk to Mike
23 about?
24 A. More of it was pertained to
25 inventory.

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1 J. Aloï
2 Q. It reads, "Rigging rearranging
3 shop for Macturn."
4 Do you see that?
5 A. Right.
6 Q. And would that have been when
7 the service was provided by Ramsey Rigging
8 to take the Macturn out of the Mentor
9 facility and bring it to the Cranberry,
10 Pennsylvania facility?
11 A. No.
12 Q. All right. What was that for?
13 A. That was to rearrange the
14 Cranberry facility to get it ready for
15 when they were going to move the Macturn.
16 Q. Do you know when the Macturn was
17 actually relocated?
18 A. I think it was January 7, 2015,
19 Tim, if you look down the fourth, the
20 fourth item.
21 Q. Okay.
22 A. "To move Okuma Macturn."
23 Actually, it looks like service date was
24 January 30. Sorry.
25 Q. So January 30, 2014?

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1 J. Aloï
2 Q. All right. Did you have any
3 conversations regarding the Okuma Macturn?
4 A. No. No.
5 Q. Was there anybody else from Air
6 Tool that you had conversations with after
7 the closing of the transaction regarding
8 the Okuma Macturn?
9 A. Not that I recall.
10 Q. In Plaintiffs' Exhibit 14, there
11 was an item by Ramsey Rigging dated
12 September 24, 2014.
13 Do you have that information?
14 A. Which schedule, Tim?
15 Q. Plaintiff's Exhibit 14. And
16 that would be available to you, I think,
17 still on the chat box.
18 A. I see PX 14. Is that what that
19 means?
20 Q. Yes.
21 A. Okay.
22 Q. There's an entry for Ramsey
23 Rigging for September 24, 2014.
24 Do you see that entry?
25 A. Yes.

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1 J. Aloï
2 A. Yes.
3 Q. Or '15?
4 A. Correct.
5 Q. '15.
6 A. That would be the fourth --
7 fourth row, fourth, Ramsey.
8 Q. Got it. Okay. And so who was
9 in charge of operating the Okuma Macturn
10 from August '14 until January 30, 2015?
11 Would that have been a Hy-Tech
12 set of personnel?
13 A. I believe that that machine was
14 still at the Mentor facility.
15 Q. Right. And so from the day of
16 the closing of the transaction until the
17 day it was positioned in Cranberry, that
18 piece of equipment was operated by Hy-Tech
19 personnel, correct?
20 A. I think it was -- well, if you
21 want to call the new employees of Air Tool
22 Service as ATSCO Holding employees, then
23 yeah, it was the original people at the
24 Mentor facility that I believe -- I don't
25 recollect, but I believe they were the

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1 J. Aloï

2 ones who would have operated it if it

3 stayed at Mentor.

4 Q. Okay. Do you know how the

5 business of Air Tool prior to August 14,

6 2014, was operated?

7 A. Do I know how it was operated?

8 Q. Yes.

9 MR. MUETHING: Objection.

10 Vague.

11 A. Yeah, that -- from a broad

12 standpoint, I don't know how it was

13 operated.

14 Q. Okay. And do you know whether

15 there was sufficient inventory, both in

16 terms of its quality and quantity, to be

17 used in the ordinary course of Air Tool's

18 business prior to August 14, 2014?

19 A. Tim, could you repeat the whole

20 question, please?

21 Q. Sure. Do you know if Air Tool

22 had sufficient inventory in terms of

23 quality and quantity so as to --

24 (inaudible) its business in the ordinary

25 course prior to the closing of the

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1 J. Aloï

2 the present circumstances of the operation

3 of the Air Tool business was prior to the

4 closing of the transaction between Hy-Tech

5 and Air Tool, do you?

6 A. No, just financial statements.

7 Q. You don't know how the business

8 Air Tool was running prior to the closing

9 was conducted, do you?

10 A. No.

11 MR. COLLINS: Brian, can I have

12 two minutes, because I may be done.

13 If we can go off the record for two

14 minutes.

15 MR. MUETHING: Tim, whatever you

16 need is fine.

17 MR. COLLINS: Yeah, I think I'm

18 done, but just let me have a moment.

19 MR. MUETHING: Absolutely.

20 THE VIDEOGRAPHER: The time is

21 11:29 a.m. We're going off the

22 record.

23 (Thereupon, a recess was taken

24 and the proceedings continued as

25 follows:)

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1 J. Aloï

2 transaction, that was August 14, 2014?

3 MR. MUETHING: Objection.

4 MR. COLLINS: Brian, what's the

5 basis for your objection?

6 MR. MUETHING: I think the

7 question is vague, and I didn't

8 understand some of it, and so I think

9 if the witness has the same effect,

10 then it's objectionable.

11 MR. COLLINS: Let's hear and see

12 if he understood it.

13 Q. Do you understand the question,

14 sir?

15 A. I'm supposed to make an

16 assumption that prior to August 14, 2014,

17 that they had adequate inventory and

18 were --

19 Q. I'm asking you if you had

20 knowledge if they had adequate inventory.

21 I'm betting your answer is no,

22 you don't know.

23 A. I don't have knowledge that they

24 had adequate inventory.

25 Q. Okay. And you don't know what

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1 J. Aloï

2 THE VIDEOGRAPHER: The time is

3 11:31 a.m. We're back on the record.

4 MR. COLLINS: Mr. Aloï, thank

5 you very much for your time. I've

6 concluded my line of questions.

7 THE WITNESS: Okay.

8 MR. MUETHING: Plaintiffs have

9 no re-cross.

10 Jim, under the rules for a

11 deposition, you are entitled to review

12 the transcript that Linda puts

13 together, and you are entitled -- if

14 you would like to make any -- to fix

15 anything that did not get taken down

16 accurately.

17 I can't make that decision for

18 you. You have to make that decision.

19 Though, I always urge a witness to do

20 that. And so you need to say on the

21 record if you would like to read and

22 sign or you would like to waive that

23 right.

24 THE WITNESS: Yes, I would like

25 to read and sign.

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1 J. Aloï

2 MR. MUETHING: Okay. That will

3 be fine. We'll get you the transcript

4 whenever it becomes available.

5 MR. COLLINS: Thanks everyone.

6 MR. MUETHING: Thanks everybody.

7 Appreciate your time this morning.

8 THE VIDEOGRAPHER: The time is

9 11:32 a.m. We're going off the

10 record.

11 (Time Noted: 11:32 a.m.)

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1

2 C E R T I F I C A T E

3 STATE OF NEW YORK)

4 : ss.

5 COUNTY OF NEW YORK)

6

7 I, Linda Salzman, a Notary

8 Public within and for the State of

9 New York, do hereby certify:

10 That JIM ALOI, the witness

11 whose deposition is hereinbefore set

12 forth, was duly sworn by me and that

13 such deposition is a true record of

14 the testimony given by the witness.

15 I further certify that I am not

16 related to any of the parties to

17 this action by blood or marriage,


18 and that I am in no way interested

19 in the outcome of this matter.

20 IN WITNESS WHEREOF, I have

21 hereunto set my hand this 19th day

22 of November, 2020.

23 

24 Linda Salzman

25

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1

2 STATE OF _____)

3) :ss

4 COUNTY OF _____)

5

6

7 I, JIM ALOI, the witness

8 herein, having read the foregoing

9 testimony of the pages of this deposition,

10 do hereby certify it to be a true and

11 correct transcript, subject to the

12 corrections, if any, shown on the attached

13 page.

14

15

16

17

18 _____

19 JIM ALOI

20

21

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23

24

25

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1

2 ----- I N D E X -----

3 WITNESS	EXAMINATION BY	PAGE
4 TIM ALOI	MR. MUETHING	7
5	MR. COLLINS	42

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7 PLAINTIFFS'	FOR ID.
8 Exhibit No. 30 Excel spreadsheet	20
9 showing usage from	
10 Machine 143	
11 Exhibit No. 14 PDF of expenses	27
12 incurred in moving	
13 the Macturn	
14 machine	
15 Exhibit No. 15 Total cost of new	36
16 machine	

17

18

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1 NAME OF CASE:

2 DATE OF DEPOSITION:

3 NAME OF WITNESS:

4 Reason Codes:

5 1. To clarify the record.

6 2. To conform to the facts.

7 3. To correct transcription errors.

8 Page_____Line_____Reason _____

9 From_____to _____

10 Page_____Line_____Reason _____

11 From_____to _____

12 Page_____Line_____Reason _____

13 From_____to _____

14 Page_____Line_____Reason _____

15 From_____to _____

16 Page_____Line_____Reason _____

17 From_____to _____

18 Page_____Line_____Reason _____

19 From_____to _____

20 Page_____Line_____Reason _____

21 From_____to _____

22 Page_____Line_____Reason _____

23 From_____to _____

24

25

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